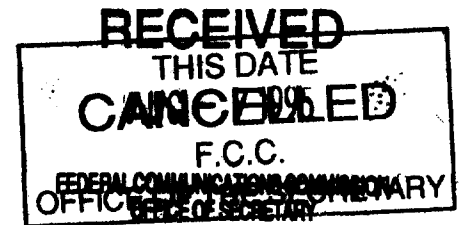**MCI Telecommunications
Corporation**

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Senior Regulatory Attorney
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MCI

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Mr. Steven Spaeth   August 4, 1995
Federal Communications Commission
Common Carrier Bureau
Room 518
1919 M Street, NW
Washington, D.C. 20006

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AUG -4 1995

Re: Open Network Architecture Tariffs of US West
     Communications, Inc., CC Docket No. 94-128

FEDERAL COMMUNICATIONS COMMISSION
OFFICE OF SECRETARY

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Dear Mr. Spaeth:

        MCI Telecommunications Corporation (MCI) hereby addresses
the false claims and statements made by US West in response to
MCI's opposition to its direct case in CC Docket No. 94-128.[1]

        In its opposition, MCI showed, among other things, that by
following procedures which hide the methodology relied upon by US
West in "justifying" its basic service element (BSE) rates, US
West failed to demonstrate that its proposed rates are reasonable
and lawful. MCI also showed that the redaction and removal from
public scrutiny of the Switching Cost Model (SCM) by US West led
to major processing errors. The removal of key operating
features, the removal and "masking" of output reports, and other
limitations placed on MCI's ability to run the model, prevented
meaningful review of the model and its sensitivity to subjective
assumptions made by US West. Further, MCI showed that none of
the excessive steps used in the redaction methodology protected
any legitimate interest. US West's withholding of this
information, plus its use of procedures hindering confidential
attorney-client discussions and a nondisclosure agreement that
prohibited, among other things, access to all switch types within
the SCM and the sharing of information with other intervenors who
had executed the same agreement, collectively reveal a concerted
effort by US West to limit the effectiveness of intervenor
participation.

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        [1] MCI Opposition to Direct Case, Open Network Architecture
Tariffs of US West Communications, Inc., CC Docket No. 94-128,
filed on May 11, 1995.

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Unfortunately, rather than addressing these matters, US West chose instead to respond by attacking MCI's credibility. Typical of its approach, US West seeks to minimize MCI's showing that confidential attorney-client communications were hindered during SCM review sessions by asserting that MCI was less than truthful by failing to disclose that "US West offered MCI the use of a private conference room adjacent to the room where the SCM computer was located so that confidential conversations could take place."[2] This is untrue. While US West permitted MCI representatives to use a kitchen/break room which was used by US West employees on an ongoing basis and was connected with the "monitored" room by a set of shutters, it was not possible to conduct sensitive conversations.

In attempting to trivialize the problems MCI found during SCM review sessions, US West attributes a number of them to bad faith conduct on MCI's part. For example, US West asserts that MCI chose to "evaluate SCM in the most inefficient way possible."[3] To support this charge, it suggests that MCI should have abandoned any attempt to ascertain the sensitivity of the SCM results to changes in the CORE input data, and limited its analysis to a small number of office locations. These suggestions not only are gratuitous; they plainly are wrong. An analysis of CORE input data and inclusion of a meaningful number of office locations was essential for a basic sensitivity analysis of the model.

US West claims that a "knowledgeable computer expert" could have conducted the studies that MCI attempted unsuccessfully to perform within the allotted time frame,[4] since the "proper" way to conduct a sensitivity analysis would have been to use only the SCM features module.[5] However, US West ignores the fact that input variables in the features module are different from those in the CORE module and that such module -- and results that it generates -- uses output data from the CORE module. In order to conduct the most elementary form of sensitivity analysis, i.e., a study of how the model outputs (from the features module) are affected by changes to the model inputs over which US West's analysts have direct control (contained in both the CORE and

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[2] Id. at 6.

[3] Id. at 10.

[4] Id. at 9.

[5] Id. at 9.

features modules),[6] it is essential that inputs to both modules
of the SCM be included in a sensitivity analysis. US West's
contention that MCI should have conducted a sensitivity analysis
only for inputs to the features component of the model is
equivalent to saying that about two-thirds of the variables over
which US West's analysts can exercise complete control may be
removed from an analysis without having any potential impact on
conclusions drawn about the model.

In trying to show that MCI conducted its analysis in the
"most inefficient way possible," US West has argued that MCI
should have limited its inquiry to one or two offices.[7] Had MCI
followed such an approach, however, US West likely would have
argued that the results obtained were not representative of what
would have been obtained if all office locations had been
included. In addition, it is highly unlikely that the time
required to re-run the model, given the unalterable master files
provided by US West, would have been reduced sufficiently by the
selection of a more limited number of offices to allow the basic
sensitivity analysis to be performed within the allotted time.

In seeking to highlight MCI's credibility and not US West
procedures, US West makes a number of claims that MCI presents a
distorted characterization of the redacted SCM. US West contends
that the major computer software problems, or "fatal errors,"
that MCI encountered in its SCM do not cast doubt upon the
reliability of SCM.[8] MCI disagrees. The repeated occurrence of
such "fatal errors" when attempting to run the redacted model
cast serious doubt upon the reliability of the redaction to re-
create the results that would have been obtained from the actual
model. The "fatal errors" are indicative of a highly (and
excessively) complex redaction process and suggest the existence
of potentially more numerous "non-fatal" errors.

Conversely, "non-fatal" errors, which potentially have a
significant impact on the model results but do not cause it to
cease to operate, would be undetectable by intervenors running
the redacted model. MCI's experiences with the redaction process
on consecutive days calls into serious question the accuracy and
reliability of model outputs obtained when the errors did not
occur. Anomalous results obtained by MCI when making its limited
"runs" of the model further suggest the existence of these "non-
fatal" but invalidating errors. The fact that processing of the

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[6] The Arthur Andersen Report, at 5-6, 14-16, recognizes
that SCM outputs are sensitive to features and CORE input
variables.

[7] Id. at 8-9.

[8] Id. at 8.

redacted model stopped due to "fatal errors" several times in SCM review sessions shows that no confidence can be placed in the accuracy of the redacted SCM.

US West also argues that the ability to select switches by type would be "of no practical value" since MCI was only permitted to review one switch type.[9] US West's statement is incorrect. The feature in question allows the operator of the model to select by switch manufacturer and to select only "host" or "remote" switches. Unfortunately, US West's purposeful removal of this feature in the redacted model made it necessary for MCI's analysts to select "host" or "remote" switches in the US West database on a time-consuming "line-by-line" basis within a file that contained several hundred lines. This feature was clearly removed to cause an inconvenience to MCI and to frustrate completely even the limited process allowed in this proceeding. If the features were truly "valueless" in the context of the review of a single switch type, then US West certainly had no legitimate basis to redact the features.
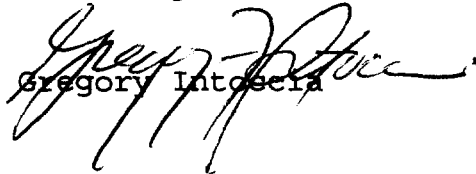
US West also asserts that the "ability to create master files has practically nothing to do with the time necessary to run the data."[10] This position not only is inconsistent with the experience of MCI's analysts but it also is at odds with statements made by the US West representative present during the review. It is beyond contention that MCI was presented with a master file in the CORE module containing multiple study files and that the CORE module needed to be re-run in order to remove, as well as add, data. A re-run of the CORE module recalculated all data in all study files within the master file; and, as a result, the number and size of the study files present had a direct impact on the time required to run the module. A reduction in the number of study files contained in the large master file provided by US West would have required significant processing time. In contrast, had MCI been given the ability to do so, its analysts could have created a master file containing only the study file required for analysis. In turn, this would have resulted in significantly less time required to re-run the CORE module. As MCI has indicated, given the inability to create master files and other limitations imposed by US West, the time required to conduct a sensitivity analysis of the 25-30 variables for each switching location would have required from 27 to 37 weeks.

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[9] Id. at 7, footnote 10.

[10] Id. at 11.

Finally, US West is incorrect in its conclusion that, as a matter of law, it is not required to disclose all material, including the SCM, it is relying upon to justify its tariff rates.[11] As stated in the opposition comments, the Commission is required by the Communications Act, the Administrative Procedures Act and Constitutional Due Process requirements to base any decision it reaches in this investigation entirely on the public record, including publicly available cost support data and methodologies. Thus, any Commission reliance on the redacted SCM or on any non-public internal analysis using the SCM would be reversible error.[12]

Sincerely,

Gregory Intoccia

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[11] Id. at 13.

[12] See MCI opposition at 25-29.